Unemployment Insurance Review

August 1967

In this issue

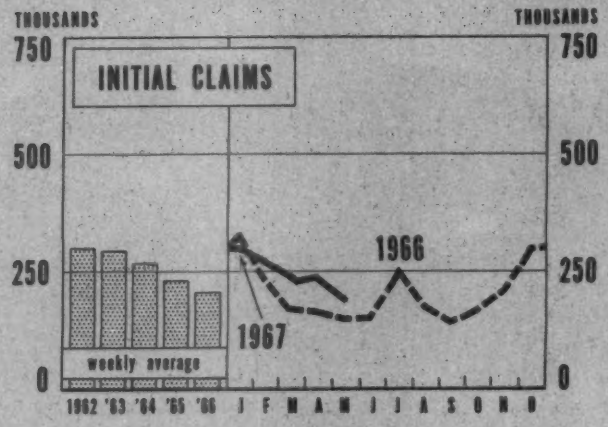
Supplemental Unemployment Benefit Plans

Iowa's Experience With SUB Plans

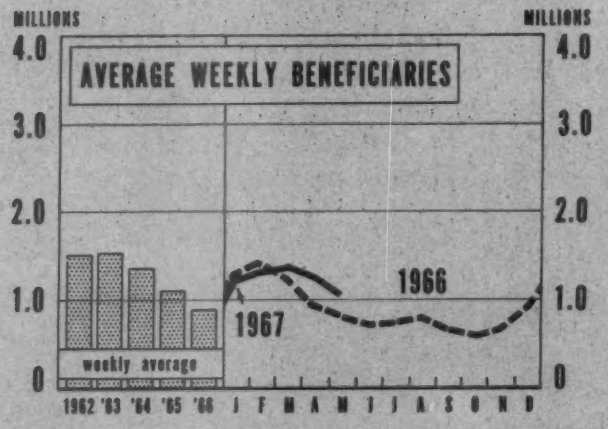
UNITED STATES DEPARTMENT OF LABOR
Manpower Administration

UNEMPLOYMENT INSURANCE ACTIVITIES

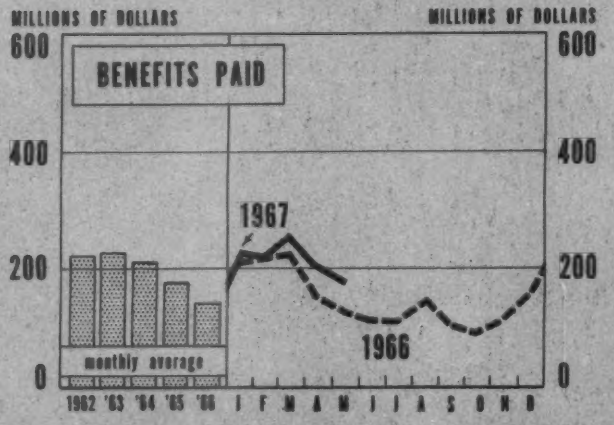
UNDER STATE PROGRAMS



Initial claims under State programs averaged 187,800 per week in May—56,100 below the April figure but 35,500 above the volume a year earlier. The greater than seasonal decline partly reflected the spring pickup in outdoor work and increased activity in the auto industry.



The number of beneficiaries receiving payments under State programs in May declined by 19 percent, or 230,600, to a weekly average of 1,013,700. Except for May 1966, when the volume averaged 805,900, the total was the lowest for the month since 1953.



In May, $183.6 million was paid to insured jobless workers under State unemployment insurance programs—$16.9 million less than in April but $57.5 million higher than in May 1966.

Unemployment Insurance Review

August 1967
Vol. 4, No. 8

U.S. DEPARTMENT OF LABOR
Willard Wirtz, Secretary

MANPOWER ADMINSTRATION
Stanley H. Ruttenberg, Administrator

BUREAU OF EMPLOYMENT SECURITY
Robert C. Goodwin, Administrator

UNEMPLOYMENT INSURANCE SERVICE
William U. Norwood, Jr., Director

HARRY F. MULLALY, Editor

CONTENTS

ARTICLES

Supplemental Unemployment Benefit Plans. 1

Iowa's Experience With SUB Plans..... 11

DEPARTMENTS

UI Research Reports..... 13

Unemployment Insurance Decisions..... 16

Trends in the Economy..... 17

Insured Unemployment..... 21

Summary Statistics:

Tabulations..... 24

Charts..... Cover 2, 20, 21

Maps..... 22

Supplemental Unemployment Benefit Plans

Dorothy R. Kittner

Supplemental unemployment benefit (SUB) plans were developed out of the concerted effort made in the early 1950's by the automobile and steelworkers unions and several other industrial unions to obtain income security through guaranteed annual wage and employment plans. Unlike pension and health and insurance programs, however, SUB plans have not spread widely. They now cover about 2.5 million workers, or about one out of 20 covered by unemployment insurance. About half of these covered workers are in the auto and steel industries.

The original SUB plans have been broadened and liberalized at succeeding negotiations to afford more complete income protection. Recently completed collective bargaining negotiations in the rubber industry resulted in increased SUB payments; present negotiations in the automobile industry on the UAW's demand for a "guaranteed annual income" (GAI) will probably involve bargaining over SUB plan provisions.

INCOME SECURITY protection became an important issue in collective bargaining in the early 1950's when a concerted effort was made by several unions for such protection through guaranteed annual wage and employment plans. The result of this drive was the establishment of supplemental unemployment benefit plans. The first SUB plan was negotiated by Ford Motor Co. and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) in mid-1955. Shortly thereafter other major companies in the automobile industry and large manufacturing firms in the farm equipment, primary and fabricated metal, rubber, and flat glass industries negotiated SUB agreements with the UAW, the United Steelworkers of America (USA), United Rubber, Cork, Linoleum and Plastic Workers of America (URW), and the United Glass and Ceramic Workers of North America (UGCW). SUB plans were also added to agreements covering workers in the women's apparel and cement manufacturing industries, unlicensed maritime personnel on the Atlantic and Gulf coasts, and workers in a few crafts in the construction industry.

During the same period, or somewhat earlier, certain unions succeeded in negotiating guaranteed annual wage plans—an older device that had never achieved a high degree of acceptance. For example, most of the agreements negotiated in 1951 and 1952 between the East Coast sugar refineries and the United Packinghouse, Food and Allied Workers (UPWA) and the International Longshoremen's Association (ILA) included an annual

---

Miss Kittner is a labor economist, Division of Industrial and Labor Relations, Bureau of Labor Statistics, U.S. Department of Labor. She, with the assistance of Arne H. Anderson, prepared Major Collective Bargaining Agreements: Supplemental Unemployment Benefit Plans and Wage-Employment Guarantees *(BLS Bulletin 1425-3, June 1965) on which this article is based.*

guarantee provision. Also, the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (TCWH), Local 688, St. Louis, Mo., added an annual employment provision to many of its contracts. The number of guaranteed annual wage plans, however, remains at a low level, particularly in comparison with SUB plans. As a result, a Bureau of Labor Statistics survey of 1,773 major collective bargaining agreements in effect in 1963, each covering at least 1,000 workers, disclosed that only 139 agreements, covering about 600,000 out of 7.4 million workers, guaranteed employment or wages for at least a week to some or all of the workers to whom the agreement was applicable. Of these, six were annual guarantees.

SUB plan coverage has hardly increased since 1956, chiefly because the plans have not spread to a significant extent to other industries. However, the declines in employment in some of the major SUB industries were offset by increases in others; by the extension of SUB plans to small- and medium-size establishments in the industries previously mentioned; by the establishment in 1960 of the plan covering almost 400,000 workers in the women's apparel manufacturing industry; and by the negotiation within the past few years of plans covering many workers represented by the UAW in the aerospace industry.[1]

Unlike other employee benefit plans, SUB plans were initially established through collective bargaining and with few exceptions are not applicable to nonunion workers. In 1963 over 96 percent of all participants were covered by negotiated plans.[2]

The composition of covered groups reflects the predominance of negotiated plans. Those with only production or hourly worker membership accounted for more than half of all workers covered by the approximately 700 plans on file with the U.S. Department of Labor in 1963. A fourth of the total plans specifically included all classes of employees. While most of the remaining plans contained coverage provisions that were not amenable to simple classifications, production workers dominated their membership. In the few instances where a plan covered only salaried employees, the company's hourly employees were usually covered by another plan.[3]

The benefits provided initially under SUB plans were weekly payments to laid-off workers who performed no work for their regular employer. During recent years, however, the scope of many plans has been broadened to pay benefits to partially unemployed workers and to provide severance pay and moving allowances to terminated workers. In addition, some plans now pay health insurance premiums for laid-off workers.

This article is primarily concerned with the major features of the unemployment benefits of five pattern plans chosen from five industries in which SUB plans are prevalent, and it describes their similarities and differences.[4] In selecting the

[1] The Social Security Administration's estimate for December 1965 (*Social Security Bulletin*, April 1967, p. 13) was 2.1 million workers covered by SUB plans, as compared with 1.0 million in 1955, 1.7 million in 1960, 1.8 million in 1961–63, and 1.9 million in 1964. The workers covered by the ILGWU's unemployment severance pay plan were excluded from the estimate because of the limitations on benefit payments.

[2] *Financing Supplemental Unemployment Benefit Plans* (BLS Bulletin No. 1483, May 1966).

[3] Ibid., p. 4.

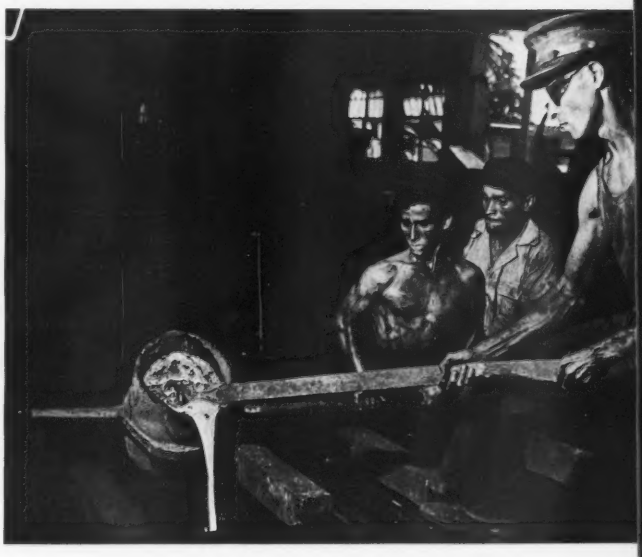
[4] Most of the facts in this article were taken from a revision of ch. III, "The Five Pattern Plans," of *Major Collective Bargaining Agreements: Supplemental Unemployment Benefit Plans and Wage-Employment Guarantees* (BLS Bulletin 1425–3, June 1965), which reflects amendments to the five pattern plans up to June 1967. A detailed discussion of all major features of the five plans and all other SUB plans and wage guarantees included in major collective-bargaining agreements can be found in that report.

pattern plans, primary consideration was given to their influence on the provisions of other plans in their industries. The pattern plans thus selected were those negotiated by Ford Motor Co. and the UAW; Goodyear Tire and Rubber Co. and the URW; Ideal Cement Co. and the Cement, Lime, and Gypsum Workers (CLGW); Pittsburgh Plate Glass Co. and the UGCW; and U.S. Steel Corp. and the USA.

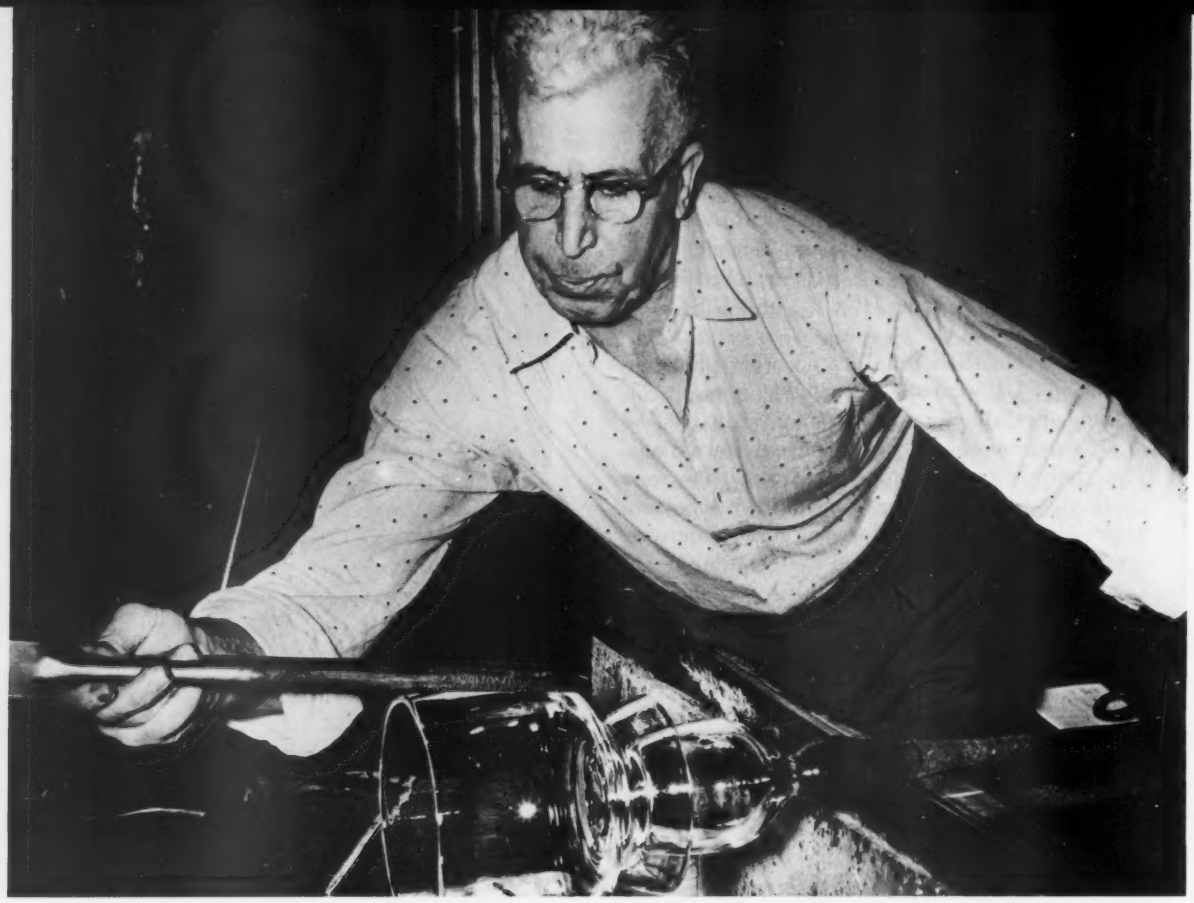
To ascertain their influence on other plans, all operating SUB plans (174) included in major collective-bargaining agreements in effect in 1962–63 (1,773) were compared with the five pattern plans. The analysis revealed that all except nine were similar in general contour to one of the five pattern plans, although many differed in one or more respects. Half of the 169 plans were similar to the U.S. Steel-USA plan and one-third were modeled on the Ford-UAW plan. Of the remaining 29 plans, 10 were identical to the Goodyear-URW plan, and 10 were patterned after the Pittsburgh Plate Glass-UGCW plan. Since plans patterned after the Ideal Cement-CLGW plans were confined to agreements covering fewer than 1,000 workers each, they were excluded from the scope of the survey.[5]

With one exception, all of the plans having similarity to a pattern plan were found in single-employer agreements. The exception was the multiemployer agreement covering plumbers in New York City which provided for an individual account plan similar to the Pittsburgh Plate Glass-UGCW plan. Plans similar to each other were usually negotiated by the same union and covered employees in the same or a related industry. In some cases, the predominant union established the pattern followed by other unions in the same industry. For example, the plan adopted by the Armco Employees Independent Federation, Inc., and the Armco Steel Corp. was patterned after the plan negotiated by the Steelworkers with that corporation and with U.S. Steel Corp.

At the end of 1963 only five of the 56 plans patterned after the Ford-UAW plan were identical in all respects. Another 16 were the same except that they omitted certain benefits; all 16



[5] The analysis, however, reflected all amendments in effect at the end of 1963. According to the report on supplementation of unemployment benefits made at the United Cement, Lime and Gypsum Workers International Union's Tenth International Convention in 1960, over 24,000 of its members were covered by SUB plans—22,700 were covered by the Ideal Cement type of SUB plan; and 1,600 by the Steelworkers type of plan.



excluded a moving allowance, and six did not pay the cost of health benefits (hospital, surgical, and medical) for laid-off workers. Most of the remaining 35 plans provided fewer benefits, had different financing provisions, and provided different unemployment benefit payments.

Two-thirds of the 84 plans similar to the U.S. Steel-USA plan did not vary significantly from it. In most of the 27 plans with different provisions, the financing provisions differed. Fewer benefits were provided by two-thirds of the 27 plans; and less liberal unemployment benefits (regular weekly, special, and short workweek) provisions were included in about one-third of the plans. No significant variations were found, on the other hand, in provisions relating to the maximum number of weekly payments (the collection of 52 weeks of benefits was permissible) and the plan administration provision. Except for the plans of the can manufacturers and a few others, the differences between the U.S. Steel-USA plan and similar plans were due to revisions made in the U.S. Steel-USA plan, effective July 1, 1962, which were not adopted by the other plans, at least not up to the end of 1963. Prior to July 1962, the provisions of nearly all of these plans were identical to U.S. Steel-USA plan provisions.

Of the 10 plans similar to Pittsburgh Plate Glass-UGCW plan, only the Libbey-Owens-Ford-UGCW plan was identical in all respects. Four plans negotiated by the Glass and Ceramic Workers with four other glass companies were similar to the Pittsburgh Plate Glass-UGCW plan except that the employers contributed 5 cents per hour worked instead of 10 cents. The remaining five plans had few features in common with the Pittsburgh Plate Glass-UGCW plan, except for the individual account funding arrangement and its accompanying characteristics.

The Five Pattern Plans

Financing

Like all SUB plans, the pattern plans were financed solely by the employer. Except the Pittsburgh Plate Glass-UGCW plan, contributions

were placed in a single company fund from which benefits are paid. (Ford-UAW, Goodyear-URW, Ideal Cement-CLGW, and U.S. Steel-USA plans are hereafter referred to as "company fund plans.") In contrast, the Pittsburgh Plate Glass-UGCW plan, created individual employee accounts into which company contributions were placed and to which a worker's benefits were charged. (This plan is hereafter referred to as an "individual account plan.")

Under all of the five pattern plans, the company's total cents-per-hour financial obligation was based on the number of hours for which employees were paid (Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans) or the number of hours they actually worked (Pittsburgh Plate Glass-UGCW and U.S. Steel-USA plans).[6] A company could discharge its obligation only by making a cash payment to the trust fund, except under the U.S. Steel-USA and Ideal Cement-CLGW plans, which provided for both cash contributions and a contingent liability.

The maximum cents-per-hour contributions to the funds ranged from 5 to 15 cents per hour. The Goodyear-URW and Ford-UAW plans called for cash contributions of 5 cents; and the Pittsburgh Plate Glass-UGCW plan, 10 cents. The contributions required by both the Ideal Cement-CLGW and the U.S. Steel-USA plans varied, however, according to the financial conditions of the fund. Under the former plan, the maximum amount was 15 cents an hour, and under the latter, 9.5 cents.

The company's liability was, as previously indicated, always expressed in terms of hours worked or paid for rather than in terms of money needed to pay benefits. If funds were inadequate, benefits had to be reduced, the company was not obligated to contribute beyond the amount determined by the plan's financing formula.

Types of Benefits

Three types of weekly unemployment benefits were provided eligible workers under the four company fund plans: (1) Regular unemployment benefits for wholly unemployed workers; and for partially unemployed workers, either (2) special unemployment benefits, or (3) short workweek benefits. The Pittsburgh Plate Glass-UGCW plan—the only individual account pattern plan—provided only the regular unemployment benefits.

Other benefits made available to laid-off workers were separation pay, provided by the Ford-UAW, Goodyear-URW, Ideal Cement-CLGW, and Pittsburgh Plate Glass-UGCW plans; a moving (relocation) allowance, furnished by the Ford-UAW and U.S. Steel-USA plans; the payment of hospital, surgical, and medical benefit premiums, by the Ford-UAW and Goodyear-URW plans; and a death benefit by the Pittsburgh Plate Glass-UGCW plan.

In addition to providing benefits for laid-off workers, two plans—Pittsburgh Plate Glass-UGCW and Ideal Cement-CLGW—provided weekly benefits to temporarily disabled active workers. While the Ideal Cement-CLGW plan paid benefits only for disabilities due to occupational cause, the Pittsburgh Plate Glass-UGCW plan paid them regardless of cause.

Regular Weekly Unemployment Benefit

Eligibility.—To qualify for any SUB benefit, a worker had to have 1 year of service with the company under all except the U.S. Steel-USA plan which required 2 years of service. A regular weekly benefit was payable by all plans to qualified laid-off workers who were totally unemployed because of a temporary or permanent reduction in force, or because of plant or operation shutdown. Workers laid off, or who continued to be on layoff because of their inability to perform work offered to them by the company, did not forfeit their rights to regular weekly unemployment benefits. Conversely, they usually forfeited their right to a benefit if they refused acceptable work. Both of these provisions were explicitly stated in only two plans, Ford-UAW and Goodyear-URW.

Workers automatically retired by Ford, Goodyear, and Ideal Cement who were ineligible for retirement benefits could collect unemployment benefits. (Under the Goodyear-URW pension plan the automatic retirement age was 65, under the Ford-UAW plan it was 68, and under the Ideal Cement-CLGW plan it was 70.) Except under the Ideal Cement-CLGW plan, workers participating in a government-financed vocational training program were eligible for unemployment benefits. All plans declared as ineligible for benefits workers whose layoff resulted from specified causes (such as strikes, disciplinary actions, or acts of God) and those in the military service.

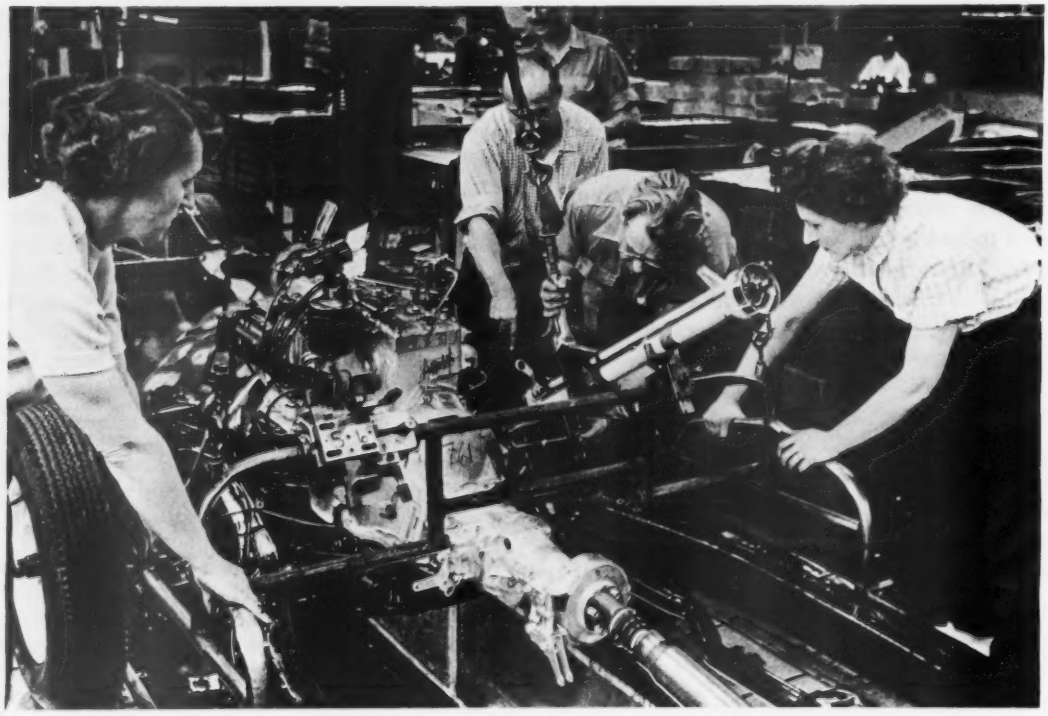
[6] The term "hours actually worked" was not defined by the pattern plans or most other plans. "Hours for which workers received pay" usually included such nonwork hours as paid vacation and paid holidays.

Generally, regular weekly unemployment benefits were provided as a supplement to UI benefits. Under the Pittsburgh Plate Glass-UGCW plan, however, there was no tie-in with the State benefit—in order to receive plan benefits, receipt of UI benefits was not required. Benefits provided by the four company fund plans were payable when workers qualified for UI benefits. However, under certain conditions, such as the following, disqualification for State benefits did not disqualify workers for plan benefits: (1) Because such week was the second waiting week required under the State law, (2) because of not having, prior to layoff, a sufficient period of work in employment covered by the State system; or (3) because of a limit under the State system of the period of time for which State system unemployment benefits are payable to the applicant.

Unlike the other two company fund plans, under the U.S. Steel-USA and Ideal Cement-CLGW plans, laid-off disabled workers continued to collect their regular weekly SUB unemployment benefits even though their eligibility for UI benefits had ceased. However, the Ideal Cement-CLGW plan did not pay this benefit to workers who were eligible for State temporary disability benefits. (Temporary disability insurance laws are in effect in California, New Jersey, New York, and Rhode Island. At the time of this study the Ideal Cement-CLGW plan was not applicable to workers in these four States.) Both the Ford-UAW and Goodyear-URW plans differed from the other plans by providing weekly benefits to workers "laid off out of line of seniority" who were ineligible for UI benefits because they were serving the waiting period required by State law.

Under the Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans, a worker collected his regular weekly benefit regardless of his outside earnings. The Ideal Cement-CLGW plan, on the other hand, paid benefits only to workers with limited outside earnings.

Benefit amount.—The weekly benefit, including UI benefits, provided by the four company fund plans was expressed as a percent of average weekly before-tax earnings. Ideal Cement workers received the largest benefit—70 percent of earnings; and U.S. Steel workers, the smallest—60 percent of earnings. Ford and Goodyear workers' benefits were 62 and 65 percent of earnings, respectively. However, the formula used to compute the amounts was stated in several different ways. To illustrate,



the U.S. Steel-USA plan specified the weekly benefit (including UI) as ". . . 24 times the employee's average straight-time hourly earnings . . ." while the Ford-UAW stipulated ". . . 62 percent of weekly straight-time pay . . ." (The Ideal Cement-CLGW plan's formula was similar to the U.S. Steel-USA plan's formula, and the Goodyear-URW plan's formula was similar to the Ford-UAW plan's formula.)

In contrast, the Pittsburgh Plate Glass-UGCW plan provided that ". . . payment shall be in an amount specified by the employee but shall not exceed 10 percent of the balance in his . . . account . . . or $30, whichever is smaller, and shall not be less than $15 or the balance in his account, whichever is smaller." Under the company fund plans, the formula for computing the regular benefit was the same regardless of the worker's eligibility for State UI benefits.

Outside earnings were deducted from the weekly benefit by all company fund plans except the Ideal Cement-CLGW plan, which ignored them. However, under the Ideal Cement-CLGW plan, the full UI benefit was deductible, that is, the amount the worker would have been qualified for if all of his outside earnings had been disregarded in the computation of the UI benefit. The Ford-UAW and Goodyear-URW plans required the deduction of outside earnings in excess of $10. The U.S. Steel-USA plan, on the other hand, only disregarded earnings ignored in the determination of the State UI benefit—often more than $10.

Dependents' benefits.—All pattern plans except the Pittsburgh Plate Glass-UGCW plan also provided weekly allowances for dependents. These allowances were paid in addition to the weekly benefit amounts described above and the maximum plan payments described below.

All four company fund plans had a uniform allowance for each dependent up to four. The Goodyear-URW plan allowed $2 per dependent, and the others allowed $1.50.

Maximum and minimum plan payments.—All five pattern plans place a ceiling on the benefit amount payable by the plan. The maximum amount payable by Ford-UAW ($50), Goodyear-URW ($50), Ideal Cement-CLGW ($60), and Pittsburgh Plate Glass-UGCW ($30) plans was the same regardless of whether the worker was collecting State UI benefits, or was not because he had exhausted his benefit rights. In contrast, U.S. Steel-USA plan's maximum payment was increased by 60 percent (from $37.50 to $60 a week) after the worker used up his UI payments.

The Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans cited conditions under which the maximum plan payments were not applicable or differed from those described above. For example, the $50 maximum specified in the Ford-UAW plan was not applicable to the first week's benefit for workers laid off out of line of seniority who were ineligible for UI benefits because they were serving the waiting period week required under the State law. These workers received 62 percent of weekly straight-time earnings. Under the Goodyear-URW plan, a higher maximum amount ($62 instead of $50) was applicable to workers ineligible for State UI benefits for specified reasons (other than exhaustion of UI benefits) until they received 26 weekly payments from the plan.

Minimum weekly payments were also specified in four plans—Ford-UAW, Goodyear-URW, Ideal Cement-CLGW, and Pittsburgh Plate Glass-UGCW. While the Ford-UAW plan paid a weekly benefit only if the worker qualified for a plan payment of $2 or more, the Ideal Cement-CLGW and the Goodyear-URW plans paid a minimum benefit ($2 and $10, respectively) if the amount computed was less. The Pittsburgh Plate Glass-UGCW plan's minimum weekly benefit was $15 or the amount in the worker's account, whichever was less.

Reduction of benefits.—Only the Ford-UAW and U.S. Steel-USA plans based the size of weekly benefit payments on the financial condition of the funds. When the funds were at low levels, workers received only a proportion of the amounts computed according to the plans' formulas. The other two company fund plans simply provided for a cessation of benefit payments when there were virtually no moneys in the funds. In contrast, under the Pittsburgh Plate Glass-UGCW plan—the only individual account pattern plan—a worker received weekly payments as long as there was money in his account. (For a summary of benefit reductions that occurred between 1960 and 1963, see the note following this article.)

Duration.—Under the company fund plans, the number of credit units accrued to the worker determined the maximum number of weekly unemployment benefits he could receive, usually 1 week's benefits for each credit unit. One-half a credit unit was credited to the worker for each week he worked or received pay except, however, for Ideal

270-455 O - 67 - 2

Cement workers who were credited with three-fourths of a unit for each week.

Workers under all plans except the Ideal Cement-CLGW plan also acquired credit units for certain weeks for which they were not paid. Under the Ford-UAW and Goodyear-URW plans, for example, a worker obtained one-half of a unit for a week of layoff for which, although ineligible for a State UI benefit because he had not served the waiting period week required under State law, he received a regular benefit because he was laid off out of line of seniority. A worker under the Goodyear-URW and U.S. Steel-USA plans acquired one-half of a unit for each week for which he was not paid because he was conducting official local union business. Under the latter plan credit units also accumulated during absences caused by occupational or nonoccupational disabilities.

The company fund plans placed a limit on the number of credit units a worker could have at any one time, thus restricting the maximum duration of benefits. At least 52 units could be accumulated under all four plans. However, under the Ideal Cement-CLGW plan workers with over 2 years of service could accumulate up to 156 units (for 8 years' service) and under the Goodyear-URW plan workers with over 5 years of service could accumulate up to 208 units (for 25 years' service).

To be eligible for a benefit, the worker had to have at least a fraction of a unit to his credit. The Ford-UAW and Goodyear-URW plans paid a full benefit regardless of the size of the fraction. The Ideal Cement-CLGW and U.S. Steel-USA plans paid a reduced benefit to workers with less than a whole credit unit.

When the funds were at a sufficiently high level, the plans required the cancellation of one credit unit for each week of benefit. However, as the level dropped, all except the U.S. Steel-USA plan called for the cancellation of more than one unit; the number canceled depended on the worker's seniority.

By contrast, the maximum duration under the Pittsburgh Plate Glass-UGCW plan depended on the weekly amount of money the worker withdrew from his account. If his account was at the maximum of $600 when he was laid off and if he requested the minimum weekly benefit of $15, the maximum duration was 40 weeks; if he requested the maximum weekly benefit of $30, the maximum was 20 weeks.

Special Weekly Unemployment Benefit

The eligibility requirements closely followed those for a regular benefit except that workers were not disqualified unless their earnings from their regular employer were so great as to make them ineligible for any State UI benefits.

Benefit amount.—The formulas for determining special benefits, like those for regular benefits, were based on earnings. Under the Ideal Cement-CLGW and U.S. Steel-USA plans, the special weekly benefit amount, including UI benefits, was equal to the worker's base rate earnings lost in excess of 8 hours.

The Ford-UAW and Goodyear-URW plans used the same methods in determining the special benefit. Under both, the benefit payments were computed according to the regular (total) unemployment benefit formula and a minimum benefit formula. The worker received the payment computed according to the one that gave him the

greater amount. The regular formula under the Ford-UAW plan and the Goodyear-URW plan amounted to 62 percent and 65 percent, respectively, of weekly straight-time pay. If the short workweek was scheduled, the minimum formula used by both plans was 75 percent of lost earnings; if it was not scheduled, it was 50 percent of lost earnings under the Ford-UAW plan and 60 percent under the Goodyear-URW plan.[7]

Duration.—The company fund plans usually did not limit the number of weeks that partially unemployed workers could collect special benefit payments. However, under both the Ford-UAW and Goodyear-URW plans, the number of benefits for an unscheduled short workweek depended on the number of credit units a worker had accumulated and the financial condition of the funds.

Short Workweek Benefits

In recent years the scope of the company fund plans was broadened to provide benefits to partially unemployed workers ineligible for special SUB benefits because they were ineligible for UI benefits. Generally, the benefit amounts were the same as the special benefits described above because the same formulas were used. However, under the Ford-UAW and Goodyear-URW plans, the amounts were computed solely by the minimum benefit formulas.

Appeals Procedure

All of the pattern plans permitted workers to appeal unfavorable company decisions. To accelerate the settling of SUB disputes, special procedures supplanted regular grievance procedures.[8] Unsettled SUB grievances usually reached arbitration more quickly and directly than grievances processed under the basic collective-bargaining agreement because time limits were generally shorter and grievances were usually initiated at a higher level.

---

[7] A scheduled short workweek is a workweek that is deliberately planned to be shorter than the basic workweek in order to adjust production to customer demand. An unscheduled short workweek is a workweek (1) which is not a scheduled short workweek, or (2) in which an employee returns to work from layoff to replace a separated or absent employee (including an employee failing to respond or tardy in responding to recall), or returns to work after a full week of layoff in connection with an increase in production, but only to the extent that the short workweek is attributable to such cause.

[8] The grievance procedures in the basic collective-bargaining agreements are discussed in *Major Collective Bargaining Agreements: Grievance Procedures* (BLS Bulletin 1425–1, November 1964).

NOTE: A BLS study of SUB plan financial operations from 1960 through 1963 concluded that—

The extent to which benefit obligations were actually reduced varied by industry and funding arrangements. Substantial benefit curtailments were seldom necessary among plans that required immediate discharge of the employer's entire obligation by regular cash contributions. For example, the 5-cent contribution rate and relatively high maximum funding limits (ranging from about $300 to $400 per employee), in the plans negotiated by the Automobile Workers, generally proved to be more than adequate. In a few instances, major benefit curtailments resulted from adverse employment experience despite the requirement that funding positions must deteriorate severely before benefit reductions are made. Such reductions were, however, atypical of these plans.

For reasons not related to their use of contingent liability, plans with part of their finances in the form of contingent liability accruals had less favorable experience. Reductions were widespread during much of 1960 and 1961. About one in four of these plans paid reduced benefits at the end of 1960. A year later three out of 10 paid reduced benefits. The percentage was even higher during some months in these 2 years.

This high incidence of reductions resulted from a combination of factors. Prior to the amendments negotiated with the Steelworkers in 1962 and subsequent years most of these plans provided for benefit reductions whenever total finances fell below 75 percent of their maximum levels. At the same time, the maximums (about $200 per employee) were much lower than those in most other plans. Moreover, the 1959 steel strike greatly reduced contributory hours and employer obligations for several months. Inclusion of the strike period in maximum financing calculations substantially lowered maximum levels by reducing the hours base. The result of these low maximum levels was low contributions and even cancellation of contingent liability after the strike. The heavy benefit demands that followed rapidly depleted plan resources and led to either a reduction in benefits or their ultimate suspension.

The 1962 amendments were adopted by about two-thirds of this group of SUB plans, greatly reducing the likelihood of similar experience in the future by providing for larger employer contributions, no cancellation of contingent liability accruals, higher maximum financing levels, elimination of strike periods in calculating contributory hours, and the initiation of benefit reductions at much lower financial levels. For example, partial benefits were to be paid when total finances fell below 35 percent of the maximum level instead of 75 percent. Few reductions were necessary in 1962 and 1963 due to these improvements and to a more favorable employment situation. At the end of 1963, four out of five steel plans were at maximum financing.—*Financing Supplemental Unemployment Benefit Plans* (BLS Bulletin, No. 1483, May 1966), p. 9.

Iowa's Experience With SUB Plans

Ray Locke

SEVEN of the 23 Iowa firms with supplemental unemployment benefit (SUB) plans approved by the Iowa Employment Security Commission are agricultural equipment and tire manufacturing companies. These firms include such nationally known companies as Allis Chalmers Manufacturing Company, Armstrong Rubber Company, Firestone Tire and Rubber Company, Ford Motor Company, International Harvester Company, John Deere Company, and the Oliver Corporation. One of the agricultural equipment firms operates four large plants in various localities of the State.

Approximately 37,400 workers, or only 6.8 percent of the total insured workers in Iowa, are covered by SUB plans. Some 24,200, or about 65 percent of workers insured by SUB plans, are employed by the agricultural equipment and tire manufacturing companies.

The Iowa agency has no statistics to determine what percentage of the insured unemployed would be entitled to SUB payments. However, during the months of July and August some of the agricultural equipment industries have inventory layoffs of from 3 to 4 weeks' duration, and during this particular period the percentage of unemployed SUB-covered workers would be substantial.

The SUB plans submitted by these companies could not always be approved immediately by the Iowa agency. Some of the plans had to be modified so workers receiving SUB benefits would still be eligible to receive unemployment insurance benefits under the Iowa unemployment insurance law. To make sure that SUB payments did not fall into the category of remuneration that would reduce or prevent the payment of State UI benefits, each plan had to contain the following features:

1. The company agrees to pay into a separate trust fund 5 cents per hour for each hour worked by employees covered by the agreement, until the maximum amount has been reached.
2. These payments cannot be recovered by the company under any circumstances.
3. The trust fund has to be used to pay supplemental unemployment benefits over and above any sum the employee might be entitled to under the State unemployment insurance program.
4. As a general rule, the agreements stipulate that employees are not entitled to SUB payments unless they are also eligible under the State unemployment insurance law.
5. The amount of benefits employees are entitled to receive fluctuates with the length of their service with the company.
6. The employees have no vested rights in any of the money paid into the trust fund unless they qualify for benefits under terms of the agreement.

Eligibility Requirements

The basic eligibility requirements under these seven SUB plans are comparable. To be eligible for regular supplemental benefits, employees must

—have been laid off because of a reduction in force or temporarily laid off,
—have at least 1 year of seniority,
—have at least a fraction of a credit unit,
—meet the registration and reporting requirements of the State Employment Service office,

Mr. Locke is UI Field Supervisor, Iowa Employment Security Commission.

270-455 O - 67 - 3

—receive State unemployment insurance benefits or be ineligible to receive these benefits, and

—qualify for a SUB payment of at least $2.

The amount of the SUB payments varies slightly under each plan. Iowa SUB payments, when combined with State unemployment insurance benefits, are designed to pay from 62 percent to 65 percent of the weekly straight-time pay. Most plans also provide for a dependent's allowance of $1.50 to $2.00 a week for each dependent up to a maximum of four. The majority of these plans limit the regular SUB payment to a maximum of $50 plus dependents' allowances.

The duration of SUB benefits is determined by the number of credit units the employee has accumulated through service. After 1 year's seniority with the company the employee receives half a credit unit for each workweek up to a maximum number of units. The majority of the Iowa plans specify a maximum of 52 credit units for the employee at any one time. Each week that the employee receives SUB payments he is charged a number of credit units based on the level of the trust fund at the time of the payment and on his seniority. The employee is entitled to benefits until he uses up his credit units or until the trust fund falls below a specified level.

Besides regular supplemental benefits, these SUB plans provide benefits when the company offers less than a normal workweek. These cover both a scheduled short workweek stemming from a reduction of hours, due to a production cut as a result of reduced customer demand, and an unscheduled short workweek which may result from a machine breakdown.

Benefits for a scheduled short workweek are computed at 75 percent of the employee's straight-time pay for each hour below the normal workweek paid or available to the worker. No credit units are canceled for payments under the scheduled short workweek benefit provision.

Most plans call for a lower rate of 50 percent for benefits when an unscheduled short workweek occurs. No credit units are canceled if the payments are for less than 3 hours. Half the normal cancellation rate applies when the employee's earnings equal or exceed 62 percent of his weekly straight-time wages during the unscheduled short workweek.

Naturally the SUB plans of the different companies vary somewhat, but these differences are slight. This fact can be partially attributed to the similarity of the industries and the unions plus the basic requirements set out by the Iowa attorney general's office.

Very Few Problems

In some instances problems have arisen when a worker has cashed his State unemployment insurance warrant before applying for SUB payments and then has needed verification of the amount of his State UI benefits. On other occasions, a claimant's State UI warrant was for more than 1 week of benefits and the agency had to furnish the company with a breakdown of the amount of his benefits and the weeks they covered.

The Iowa agency developed a special form to handle these situations as well as to certify to the employer that a worker was ineligible because of a second waiting week,[1] or if there were an overpayment or excessive earnings. This form is provided by the agency's claims centers only at the request of the worker. It has been very helpful in providing certification of the amount and period covered by State UI benefits. The form can also be used in those instances in which a worker is ineligible for State UI benefits, but he must establish that he has filed a claim in order to claim his SUB payments. The most frequent use of the form has been when the State unemployment benefit warrant has included benefits for multiple weeks.

Several years ago, an employer asked the agency to furnish duplicate copies of unemployment insurance warrants to facilitate their processing of SUB applications. However, because of the administrative problems and extra costs to the agency, this request could not be granted.

All Iowa companies with SUB plans require their employees to file their initial applications for SUB benefits in person. After the first week, the employee may file either in person or by mail. One company requires workers filing by mail to have a bank cashier certify the amount and period of State UI benefits when the worker cashes his warrant.

The Iowa agency has encountered very few problems with supplemental unemployment benefits since their inception. Also, because of stable employment and favorable economic conditions in the State, one of the seven employers has not been required to make a single SUB payment since the firm's plan was adopted in 1957.

[1] Iowa law requires 2 waiting weeks if both weeks are weeks of partial unemployment.

Research Reports*

RESEARCH STUDIES are continually needed to evaluate the unemployment insurance system and aid in policy formulation on both State and Federal levels. These "State studies" may be published by any State government instrumentality, although most are prepared by the State employment security agencies. Beginning with this issue, and periodically thereafter, the *Unemployment Insurance Review* will carry a few brief summaries of recent research reports representative of the various subject areas covered by these studies. The following are summaries of three reports published during late 1966 and early 1967.

Denial of Benefits—New York

New York published a report on "Denial of Unemployment Insurance Benefits," covering 1959–60 and 1961–62. Although issued in November 1966, it was not available for listing in the *Selected Bibliography of Unemployment Insurance Program Research Studies, 1951–66* (BES No. U–257). Described below are highlights of findings concerning numbers and types of disqualification, characteristics of disqualified claimants, and effects of the 1960 amendments to the New York law regarding disqualifications.[1]

This report describes the number and types of disqualifications imposed upon New York claimants. In order to examine the effects of the new disqualification provisions enacted in May 1960, data are shown for claimants whose benefit years ended prior to the amendments (1960) and after the amendments (1962). The amendments established the following major changes: Claimants previously disqualified for a specified number of weeks for voluntary quit, job refusal, or misconduct were, under the new law, removed from benefit protection for as long as they remained unemployed; also, voluntary leaving of a job to marry or to join a spouse were made mandatory

* *Prepared in the Division of Program Studies, Office of Program Development and Legislation, Unemployment Insurance Service, Bureau of Employment Security.*

[1] Not all of the changes noted were due exclusively to the 1960 amendments; for example, a precedent-setting court decision and changes in administrative regulations affected incidence of disqualifications. However, the report does not attempt to measure the effect of each factor separately.

disqualifications whereas previously these types of separations were judged individually on their merits.

The study data are a byproduct of records compiled in the operations of the unemployment insurance program in New York. A 10-percent sample was obtained for all claimants in each of the 2 years studied. The disqualifications studied included those imposed for being unavailable for work and for failure to report on the scheduled date in the local office. This makes the report somewhat unusual since studies of disqualifications do not often consider these areas.

Of the approximately 1 million claimants whose benefit year ended in 1962, 6 percent were disqualified when they filed their new claims and 17 percent were disqualified after having received benefits.

The major disqualifications were unavailability for work—50 percent of all disqualified claimants; voluntary quit—20 percent; failure to appear on schedule in local office—17 percent; and other disqualifications (industrial disputes, excess earnings, refusal of work, misconduct)—5 percent or less each.

One-third of all the claimants disqualified lost eligibility for less than 1 week. Three-fourths had only one disqualification during their benefit year; those disqualified more than once had two disqualifications, on the average. A substantial proportion (28 percent) received no benefits at all.

Claimants who received benefits before and/or after disqualification drew for more weeks throughout their benefit year than those not disqualified (1.3 weeks longer on the average in 1959–60, and 1.7 weeks in 1961–62).

Compared to all claimants, disqualified claimants were proportionately more likely to be women; younger workers; workers from finance, transportation, and trade industries; and clerical, sales, and services workers. Nevertheless, the majority of disqualified claimants were men, between 25 and 44 years old, in manufacturing industries and blue-collar occupations. This was due to the numerical predominance of these groups among all claimants.

As a result of the effects of the 1960 amendments on disqualifications, between 1958 and 1961 the rate of disqualifications at the time of filing new claims (number of claimants filing new claims determined to be invalid based on nonmonetary issues, as a percent of all new claims) increased from 4 to 6 percent. This reflected primarily the fact that voluntary quits accounted for 20 percent of all disqualifications in 1962 but only 11 percent in 1960. However, the characteristics of disqualified claimants were about the same in these 2 years. Considerably more of those disqualified received no benefits at all in 1961–62 compared to disqualified claimants in 1959–60—28 percent compared to 19 percent. Thirty percent of claimants disqualified for voluntary quit, misconduct, or job refusal subsequently requalified for benefits in 1962; this proportion was 62 percent in 1960.

Loss of Benefits Because of Delayed Filing—Nebraska

In January 1967, Nebraska published a report on the second part of a two-phase survey on "Benefit Loss Caused by Delay in Filing Unemployment Insurance Claims in Nebraska." (The first part was published in July 1965.) The period studied covered calendar year 1964.

This 31-page publication is an analysis of the monetary loss experienced by claimants who were found to be delayed filers in phase one of the study and whose loss of benefits resulted from their delay in filing initial or additional claims. It attempts to identify the characteristics associated with claimants most likely to lose benefits because of delay in filing. Supplementary tables are used frequently throughout the text.

Forty-seven percent of claimants surveyed delayed filing claims. Of these, 37 percent lost benefits amounting to $61,500 during the 1964 calendar year. With over one-sixth of all claimants losing benefits because of delay in filing claims, the total loss to the State's economy amounted to nearly $675,000, an amount equivalent to 7 percent of total benefits paid in the State that year.

Approximately 70 percent of the claimants who delayed filing and thus lost benefits were eligible for the statutory maximum weekly benefit amount of $38.

The following claimant characteristics appeared to be associated with loss of benefits because of delayed filing: *Type of claim.*—The benefit loss exceeded $100 for a substantially greater proportion of claimants filing new claims than for those filing additional claims. *Sex and age.*—Male workers in the 45-and-over age group

showed the greatest proportion of claimants whose benefit loss was over $100. Some 15 percent lost $200 or more in benefits. *Industry.*—Benefit loss was greatest for claimants from finance-insurance-real estate, government, and services sectors. Approximately 50 percent of the claimants formerly associated with nondurable goods manufacturing industries lost less than $50 in benefits. *Occupation.*—Claimants whose principal occupation was in the professional and managerial occupational group experienced greater benefit loss than other occupational groups. The dollar loss was the lowest for the unskilled group. This may have been in part due to lower weekly benefit amount.

Of the delayed filers 40 percent had waited because they were either expecting to be called back to their old job or had expectations of a new job. However, over 50 percent of them lost less than $50 in benefits.

For phase one of this two-part study, a sample of 3,454 was drawn from all individuals filing new or additional intrastate and interstate claims (excluding transitionals and partials) during the survey periods. Data were collected statewide for 1 week in alternating months beginning with February 1964 and ending in December 1964. Phase two covered only those delayed filers identified in phase one who had lost benefits because of delay in filing.

This eliminated from the list the following delayed filers: (1) Claimants who had been out of the labor force during the delay period, (2) claimants who exhausted benefits although there had been a delay in filing, and (3) claimants who were temporarily disqualified and whose period of disqualification counterbalanced their period of delay. In addition, 128 interstate claimants who had delayed filing were excluded because of the difficulty in obtaining data pertaining to phase two of the study. Another 185 intrastate claimants who delayed filing initial or additional claims did not return to claim benefits for their weeks of unemployment.

For the 603 delayed filers included in phase two, three figures were obtained—the maximum potential benefits for each claimant, the amount of benefits drawn, and the amount that would have been drawn had there been no delay in filing and the period of unemployment had been the same.

Benefit Entitlement—West Virginia

In January 1967, West Virginia published a report on "Benefit Entitlement," based on a study of data for the years 1961 and 1965. (Previously the agency published benefit entitlement studies covering the years 1961–64.)

The report compares the earnings pattern of workers in covered employment for 1961 (a business recession year) with 1965 (the fourth year of economic expansion). Comparison of data for the 2 years reveals little change in the overall worker patterns, even though wage levels were generally upward. For example, the proportions of workers were virtually the same in the lower wage categories (except for mining and construction), in the number of quarters worked, in the ratios of annual to high-quarter wages, and in the ratio of the number of different workers with earnings in covered employment to average monthly covered employment.

The report cites, among others, the following highlights: The proportion of workers with earnings from more than one industry tended to increase slightly between 1961 and 1965. The number of quarters worked seemed largely independent of business conditions, and the median number of quarters worked changed little from 1961 to 1965. The relative stability of average covered employment in 1965 reduced some seasonal influences on employment and earnings which were apparent in 1961. The ratio of total covered workers to average monthly covered employment was about 140 percent. And although the wage level increased rather generally from 1961 to 1965, the proportion of workers earning annual wages of less than $2,000 was about the same in both years.

Although West Virginia has maintained a 2-percent sample of the quarterly records of workers with earnings in covered employment for calendar years 1961 through 1965, this report compares data for only 2 of these years—1961 and 1965. The analyses result from an annual summary card prepared for each sample worker. The summary card includes industry, annual wages, quarters with wages, high-quarter wages, earnings in the worker's principal industry, calendar quarter of highest earnings, and ratio of annual to high-quarter wage.

Unemployment Insurance Decisions*

Each Talks—Neither Listens

Arizona.—Because the claimant had been employed previously for 20 years by a major steel company, her new employer, the president of a small engineering firm which did testing, inspection, and quality control of materials for construction companies, thought her experience qualified her to put into operation some new office systems he had been developing. However, the claimant's concern for fully applying her experience to the improvement of office procedures led to several clashes with the employer over policy. Tension grew. The claimant thought the employer was too impatient and too belligerent in his tone of voice. Each felt the other cut off their conversations without listening to a full explanation. The claimant recognized that she could have avoided the incidents by accepting without argument whatever comments the employer made, but she felt that by doing so she would be defeating their common goal of improving the office procedures. The climax came when the employer characterized as "ridiculous" and "stupid" some innovations the claimant was making on a new office form. The claimant became upset and the employer apologized. But the next day he referred to the incident as a "stupid thing to do." The claimant stood up and said, "I can't take it." The employer said "Goodbye." A little later he told her he could not have her check ready until afternoon. The Commission found that the claimant had meant that she could no longer take the needling but that the employer understood that she was quitting. The claimant didn't know whether she had been discharged or had left voluntarily. The employer thought she left voluntarily. On the basis that she was the moving party in the separation, the Commission held that the claimant left voluntarily without good cause in connection with her employment. (Appeal No. C–139–66 B A, Mar. 13, 1967.)

Deserted Flock

Georgia.—The claimant, a chickenhouse production worker, had worked for 5 years as a tender of a laying flock. He knew the job of egg production thoroughly. There was testimony that during the last year of his employment, his usually good work began to drop off. He did not give the proper time or attention to his duties, and he allowed the sanitary conditions of his chickenhouse to become such that production rapidly and steadily declined. He was warned on three occasions that his work was not being properly performed. At the time he was discharged he was shown production graphs so he would have no doubt wherein he had failed to perform his duties. One employer witness testified from the original graphs that egg production is a scientific matter and is geared to proper care of the flock. The appeals referee held that the claimant was discharged for failure to properly perform his duties or for failure to follow reasonable rules or instructions of the employer.[1] (Decision AT–41,541—Amended, June 15, 1967.)

Balloon Play

Idaho.—On his last day of work, a pre-press machine operator was hit by a water-filled balloon thrown by a fellow employee and his clothes got wet. Without notifying his supervisor, he turned off his machine and went home to change. He was gone approximately 40 minutes. As the machine was essential to the line production of the plant, when the claimant turned it off the operation of the plant was disrupted.

The appeals examiner said: "In this case, regardless of claimant's reason for leaving his machine unattended without proper notice, it can only be construed as a complete disregard of the employer's interests. Although he might have had good reason for leaving, his failure to request permission to leave can be considered nothing but a deliberate violation of the employer's rules. . . . The events leading to claimant's decision to go home and change are of no consequence since he was still under an obligation to request permission before leaving his machine." (Docket No. 294–67, Mar. 17, 1967.)

He Knocked Himself Out

Maryland.—The claimant was hired to take charge of building maintenance in a mill, with the option of hiring one full-time or two part-time men to help him. When the claimant reported for duty, he asked the office manager what he should do. The office manager suggested that he clean the air-conditioning ducts which had been neglected for some time. This was not a "must," but merely a suggestion in response to his question. The claimant began working diligently on the air-conditioning ducts. He

---

**Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.*

[1] In Georgia, unlike most States, disqualification is not for discharge for misconduct connected with the work but instead "for failure to obey orders, rules, or instructions or the failure to discharge the duties for which he was employed."

worked alone and wore himself out. At the end of 2 days his hands were scratched and irritated. He figured that the job "was not for him" and did not return to work.

The appeals referee found that the claimant did not have to continue or finish the air-conditioning assignment but could have stopped to do other work. He could have taken ample time to orient himself. There was no pressure from the employer, and the claimant could have eased himself into the job without any interference. "Instead," said the appeals referee, "the claimant plowed into work at the inception of his employment and, without exercising any reasonable judgment, created a situation which need not have existed." He left voluntarily without good cause. (Decision-Appeal No. 142702, aff. by Board of Appeals Decision No. 122–BH–67, Apr. 26, 1967.)

No Smoking Rule

Massachusetts.—The claimant worked as a night cook for approximately 6 months and was satisfied with his work. He usually worked alone in the kitchen and was accustomed to smoking at intermittent periods while performing his work. He had never received any criticism in this respect until his last night of work, when the manager told him in effect that he was to discontinue any smoking during working hours while on the premises. The claimant replied that he had to smoke and that if he were not permitted to do so he might just as well be told to leave. The manager told him he had better leave, and the claimant left.

The Board of Review granted benefits, commenting: "We are of the opinion that, by precluding any opportunity for the claimant to smoke while on the premises, the employing unit imposed a rule which, by its stringency, made his work unsuitable for him; and that he had, therefore, substantial and compelling reason for leaving." (Appeal No. H–44713, June 1, 1967.)

Mommy's Little Helper

Missouri.—The claimant worked for 1 month as a hotel maid. Her hours were from 8:00 a.m. until 3:30 p.m., 6 days per week with Saturday off. When the claimant was first hired by the employer she had a babysitter who took care of her 2-year-old boy on weekdays. On Sundays the claimant's stepdaughter took care of the child. On the second Sunday of her employment the claimant brought her child to work with her, explaining that her stepdaughter would not take care of him that day. A week later, on Monday, the claimant brought her child to work again. She stated that she had lost her babysitter and that she would have to bring the child to work until she could find another sitter. On 9 successive days she brought him to work with her. She said she took the child with her while she cleaned the rooms, and that he did not interfere with her performance of the job. Then she took a 5-day absence with permission, but when she returned on the sixth day she again had her boy with her. Meanwhile the manager of the hotel had discovered that the claimant was bringing the child to work and instructed the housekeeper to tell the claimant that she could not do this because it violated the hotel's insurance policy. The claimant finished her work on that day, but since the housekeeper had instructed her not to bring the boy to work again she did not return to work thereafter as she did not have anyone to care for him. In denying benefits on the ground that the claimant left her work voluntarily without good cause attributable to her work or to her employer, the appeals referee said: "It was not the employer's responsibility to provide a babysitter for the care of the claimant's child while she was working." (Appeal No. A–806–67, Apr. 7, 1967.)

Trends in the Economy*

THE NATION's economy in May showed discernible signs of quickening after several months of rolling readjustments. While industrial production (which carries an extremely heavy weight in the balance of the economy) continued to be temporarily influenced by the effects of business firms adjusting their relatively high inventories, most other economic indicators showed improvements. On the positive side were the results of the May Department of Commerce-SEC survey of capital spending, which projected a small increase in capital outlays for new plant and equipment during the second half of 1967. Personal income recorded a further gain, and retail sales were at a record volume, aided by higher automobile sales. Moreover, orders for durable goods showed their sharpest gain since last September, and residential construction evidenced

**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

further strengthening as both permits for construction of new housing and housing starts moved higher.

Employment developments were uneventful. The totals of both employment and the labor force failed to show the normal seasonal rise. The level of joblessness (seasonally adjusted) continued virtually unchanged over the month, and the rate of unemployment, at 3.8 percent, remained within the range that has prevailed since the beginning of 1966.

According to the Commerce-SEC May survey on proposed capital spending for *new plant and equipment*, businesses plan to spend a record $62.4 billion in 1967, some 2.9 percent above the previous record set in 1966. The survey indicates that the pace of outlays will edge down in the 1967 second quarter but start to rise in the third quarter and continue upward throughout the remainder of the year. The estimated upturn in the last half of 1967, however, is not expected to be as strong as previously forecast.

The survey shows that manufacturers plan a 3.4-percent increase in outlays in 1967, compared with the February estimate of 3.5 percent. Most manufacturing industries plan increases over 1966 levels, but lower outlays are scheduled by the automobile, textile, stone-clay-glass, and miscellaneous nondurable goods industries.

The industry sectors planning the sharpest increases from 1966 levels are transportation (11 percent, excepting railroads), public utilities (8.5 percent), and mining (6.2 percent).

Industrial output showed further easing in May. The index (1957–59=100) dropped from 156.0 percent, seasonally adjusted, to 155.5 percent, marking the fifth month this year that the index has shown no advance. It declined in 4 of the first 5 months this year and held steady in March. Compared with a year earlier, industrial production was up only fractionally, by two-tenths of 1 point.

The index for all manufacturing dropped to 157.4 percent from 157.8 percent, with the decline attributed to the nondurable goods sector, and partly reflecting the effects of a strike in the tire industry. The index for durables held steady over the month at 162.5 percent. Iron and steel output, at 122 percent, showed no significant change in May; some 10.6 million tons of steel were poured, compared with 10.3 million tons in April and 12.2 million tons a year earlier. The automobile index edged up to 150.0 percent from 149.9 percent but was substantially under the 166.0 percent figure of a year earlier. A total of 749,900 passenger cars were assembled in May, a rise of 14 percent from April but some 6 percent under the number in May 1966.

Mining activity ebbed from 122.1 percent in April to 120.9 percent and was only fractionally above a year earlier. The utilities index held unchanged at 179.5 percent, but it was substantially above the year-earlier figure.

Factory orders for durable goods rose strongly to a seasonally adjusted $23.8 billion, nearly 7 percent above the April figure of $22.3 billion. It was the largest gain since last September and marked the first time this year that orders outpaced shipments. The unusually robust May increase reflected, to some extent, bookings placed in anticipation of restoration of the 7-percent income-tax credit for equipment investment. Incoming orders for transportation equipment and primary metals contributed greatly to the rise. The jump in transportation equipment orders reflected general increases in auto, aircraft, truck, and freight-car bookings, while primary metals orders reflected broadly based rises in both ferrous and nonferrous categories.

Shipments of durable goods (seasonally adjusted) moved up by 2.7 percent in May to $22.9 billion, with gains in shipments of transportation equipment and machinery setting the pace for the advance. Shipments of primary metals, unlike those in other industry groups, remained stable.

With new orders outstripping shipments, the *backlog of durable goods orders* increased by 1.2 percent to $74.9 billion, some 7.6 percent above the figure for the comparable month a year earlier. Aircraft and primary metals accounted for the entire $900 million increase in unfilled orders. Although the backlog in May reflected a relatively large increase, the level of unfilled orders had been reduced substantially and was $1.5 billion below the figure at the beginning of 1967.

At an annual rate of 1,310,000 units, the May level of nonfarm *housing starts* was up by nearly 12 percent (representing the third consecutive monthly rise) from the annual rate of 1,173,000 in April. The year-earlier pace was only slightly better at 1,318,000. May starts advanced in all sections of the Nation, except the North East where

the permit pace remained unchanged. By far the largest gain occurred in the West, a rise of some 43 percent.

Building permits, a key indicator of future housing construction, moved higher in May and were issued at a seasonally adjusted annual rate of 1,046,000 units, compared with 1,028,000 in April and 1,098,000 a year earlier. The number of permits for single family houses rose over the month by 4 percent to 601,000, while that of larger apartment units (five families or more) slipped by 3 percent to 380,000. Units in two- to four-family buildings were authorized at a 65,000 annual rate, up from 58,000 in April.

Personal income advanced by $2.8 billion in May to a record $616.9 billion annual rate (seasonally adjusted). A resurgence in transfer payments, chiefly social security and welfare benefits, contributed greatly to the rise, reflecting a sizable advance in payments under the medicare programs. Total transfer payments in May registered a gain of $800 million to an annual rate of $52.4 billion, seasonally adjusted. The wages and salaries category moved up by $700 million to a $414.9 billion annual rate. Within this group, however, the factory payroll sector moved down for the second month. The annual rate, at $130.8 billion, was off by $400 million, with a strike in the rubber industry accounting for about half the decline. Payroll reductions also occurred in foods, textiles, and printing, as well as in lumber and machinery in the durable goods sector. In the construction category, payrolls also diminished in May, as hours worked continued downward. On the other hand, payrolls in the services industries and all levels of government showed gains, as did income derived from business and professional proprietorships, rents, and dividends.

Retail sales in May were at a record volume of $26.1 billion, seasonally adjusted—some $146 million above the preceding month and $1.6 billion above the level of May 1966. All of the over-the-month advance occurred in the nondurable goods sector, where sales rose by $467 million to a seasonally adjusted $18.0 billion. Gains were distributed among most major nondurable goods industries. In the hard goods category, sales, at $8.1 billion, were off by $33 million, as declines for most kinds of durable goods more than offset the rise in automotive sales. During the month, some 744,100 U.S.-built cars were sold, compared with 710,500 in April and 692,500 a year earlier.

Employment

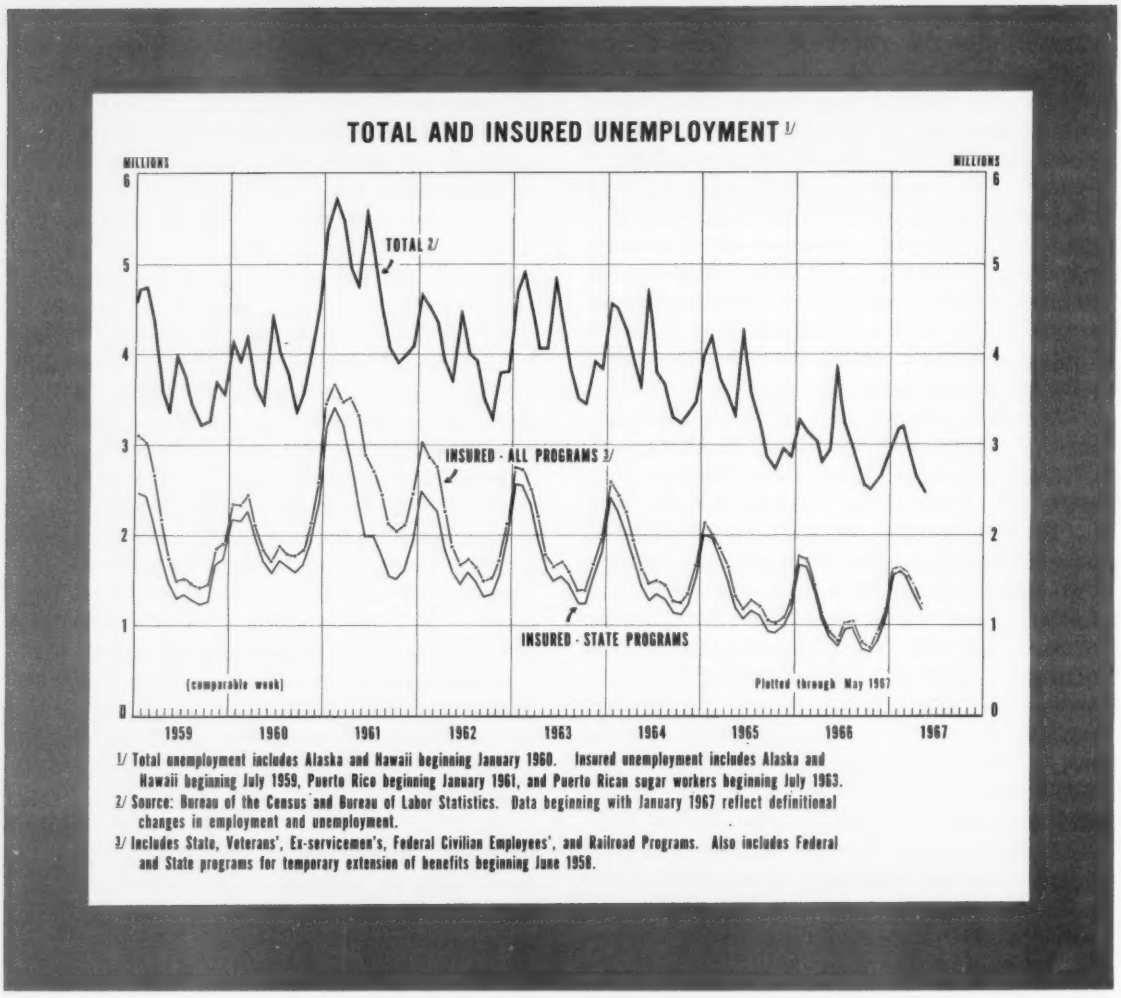
Total civilian employment edged up by scarcely 200,000 in May to 73.6 million, some 1 million more than the year-earlier figure. The over-the-month rise was less than usual for this time of year, and as a result the seasonally adjusted volume dropped by slightly more than half a million. Both the farm and nonfarm sectors shared in the decline. The slowness of the employment pickup in May reflected the current inventory adjustment among manufacturing industries, and the persistence of wet weather over much of the country affected both farm and construction activity considerably.

The rise in the number of employees on *nonfarm payrolls* was less than usual for May, and the seasonally adjusted volume, at 65.4 million, was down by 44,000 from April, with declines recorded in the mining, construction, and manufacturing sectors. Contract construction, seasonally adjusted, showed an employment drop of some 103,000, as poor weather and an increase in strike idleness combined with a rather static level of construction activity. Employment in mining was off by 6,000.

Manufacturing employment, seasonally adjusted, dropped by 78,000 to 19.1 million, with most of the reductions occurring in the nondurable goods industries. Except for a drop of some 47,000 in the rubber industry (due to strikes at three major rubber companies), the employment declines were small and relatively widespread among the manufacturing industries. Transportation equipment was the only industry to register a significant gain—17,000.

Compared with a year earlier, total employment on nonagricultural payrolls was up by 1.9 million. Eighty-five percent of the over-the-year rise was among workers in government (727,000), services (519,000), and trade (404,000). Only construction and mining showed declines (80,000 and 9,000, respectively). Manufacturing employment rose by 140,000, with the durable goods industries accounting for over three-fourths of the increase, most notably, machinery (76,900) and electrical equipment (43,400). In the nondurables sector, the largest gains were posted by the printing-publishing and the chemicals industries (up 50,000 and 35,100, respectively).

The *workweek* for nonsupervisory employees on private nonagricultural payrolls averaged 37.9 hours in May, down 0.7 hour from the May 1966 level. *Weekly earnings*, at $100.06, were up $2.02 over the year.


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through May 1967
1959
1960
1961
1962
1963
1964
1965
1966
1967
1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

The *factory workweek* averaged 40.3 hours in May, up 0.1 hour from April, while average overtime held steady at 3.1 hours. *Average hourly earnings* for factory workers also remained unchanged, at $2.80, while *average weekly earnings*, because of the increase in the workweek, moved up to $112.84. This compares with $112.56 in April and $112.05 a year earlier.

Unemployment

In May, *total unemployment* moved down by 209,000 to 2.5 million, some 337,000 below a year earlier. The decline between April and May was close to seasonal expectations, and the seasonally adjusted level showed virtually no change. Some 1.1 million adult men, 957,000 adult women, and 844,000 teenagers were seeking employment. The jobless rate edged up from 3.7 to 3.8 percent, remaining within the range that has prevailed since the beginning of 1966. A year earlier, the rate was 3.9 percent. The jobless rate for adult men moved up from 2.3 percent to 2.4 percent, while the rate for adult women dropped two-tenths of a point to 3.9 percent. The teenage jobless rate, however, rose sharply, moving from 11.6 percent to 13.1 percent.

Insured Unemployment*

THE USUAL spring pickup in outdoor work and greater activity in the auto industry were the most significant factors in the April–May decline of 16 percent in State insured unemployment. The weekly average moved down to 1,142,100—the lowest since last December. The over-the-month decline was about seasonal; as a result, the seasonally adjusted rate of insured unemployment remained at 2.7 percent of the covered work force.

The national rate of insured unemployment, seasonally unadjusted, moved down substantially over the month, to 2.4 percent from 2.9 percent. A year earlier, the rate was 1.9 percent.

All but one State reported reductions in insured joblessness from April. California showed the largest decline (38,700), bringing that State's average to 213,200. Although about one-half of the drop stemmed from an upswing in construction, a pickup in both trade and lumbering was also significant.

New York reported an over-the-month reduction of 23,300, as the weekly average moved down to 159,200. Increased construction activity was responsible for about one-half of the drop. In addition, there was less joblessness among workers from the electrical machinery industry plus a stepup in trade and services.

A sharp decline in insured joblessness among auto workers was the chief factor in Michigan's over-the-month reduction of 22,700. Reflecting increased auto production, insured joblessness between April and May among auto workers dropped from 21,500 to 9,600—the smallest figure for that category in Michigan so far this year. There was also a continuation of the seasonal improvement in construction and in trade.

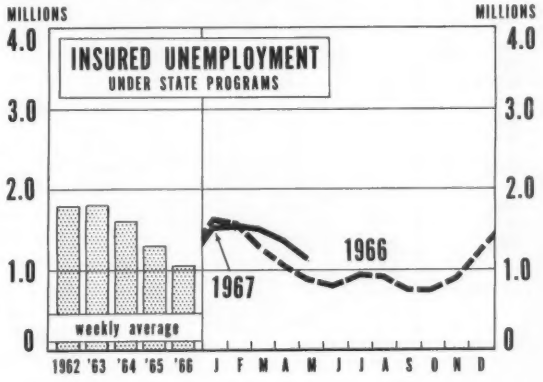
Insured unemployment in New Jersey declined by 12,700, and Massachusetts reported a drop of 10,500. In both States approximately one-half of the reduction stemmed from fewer claims from construction workers.

Other States showing large declines between April and May were Minnesota (9,000), Ohio (7,400), Wisconsin (7,300), Pennsylvania (6,900), Missouri (6,500), and Washington (6,300).

The only State to show an increase in insured joblessness between April and May was Florida. There, the average rose by 1,800 to 17,200 as the winter tourist season drew to its close.

Compared with a year earlier, all but three States reported higher volumes of insured joblessness. The largest rise was noted in California—45,300; much of the increase was attributable to higher unemployment among workers from construction and trade. Michigan—up by 27,500 over the year—had more unemployed auto workers, but joblessness among trade and services workers was also higher. In Ohio, insured unemployment was up by 23,700; much of the rise was among workers from the metals and machinery industries, but also contributing to the increase was greater unemployment among auto and construction workers. In Pennsylvania, most of a 21,600 increase reflected higher unemployment among metals, machinery, apparel, transportation equipment, and construction workers. In Illinois, where insured joblessness was some 19,000 above that of a year ago, over one-half of the rise reflected increased unemployment among electrical machinery workers. Other States with increases of over 10,000 were Tennessee (12,500), New York (11,100), and Indiana (10,300).

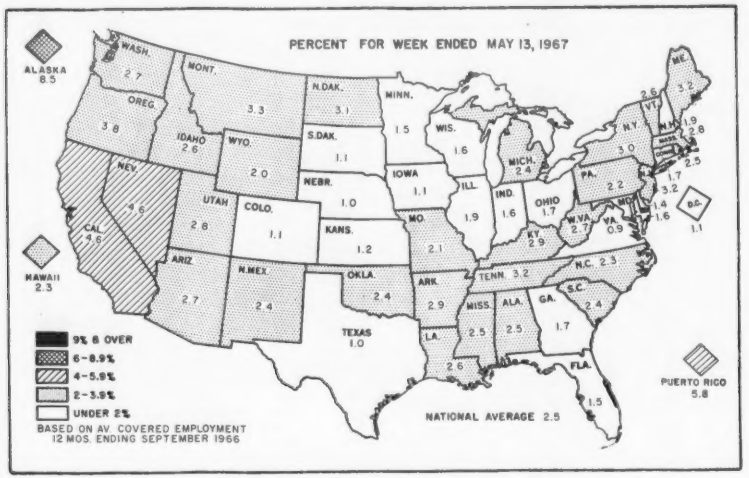
The three States with over-the-year reductions in insured unemployment were Texas, which was down by 2,300; Minnesota, down by 700; and North Dakota, down by 50.



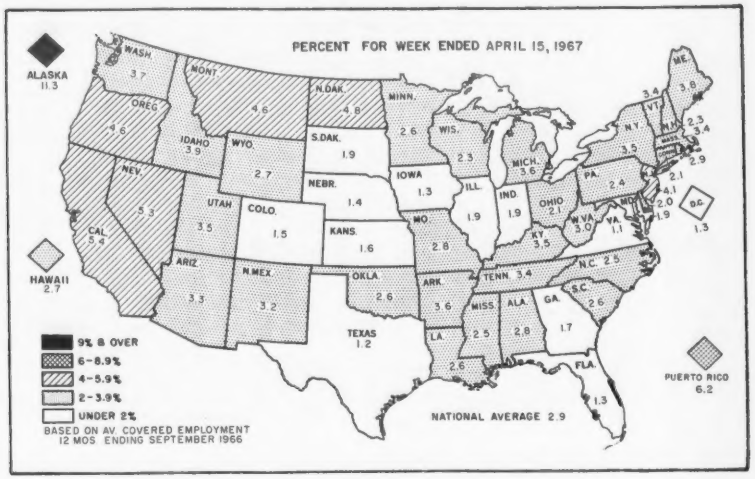
* *Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

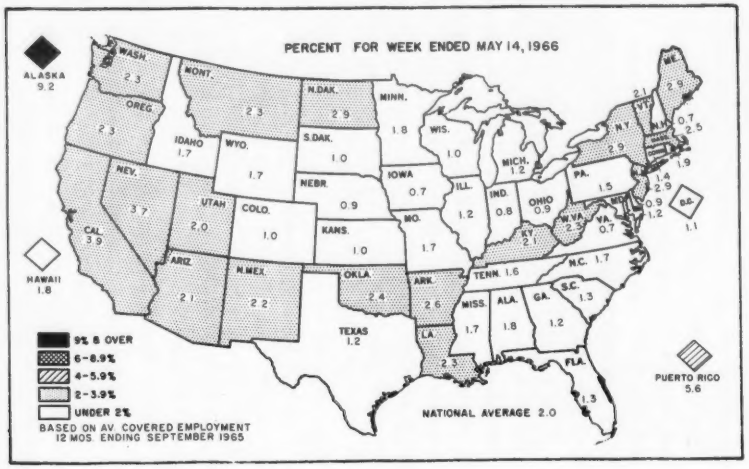
LATEST MONTH



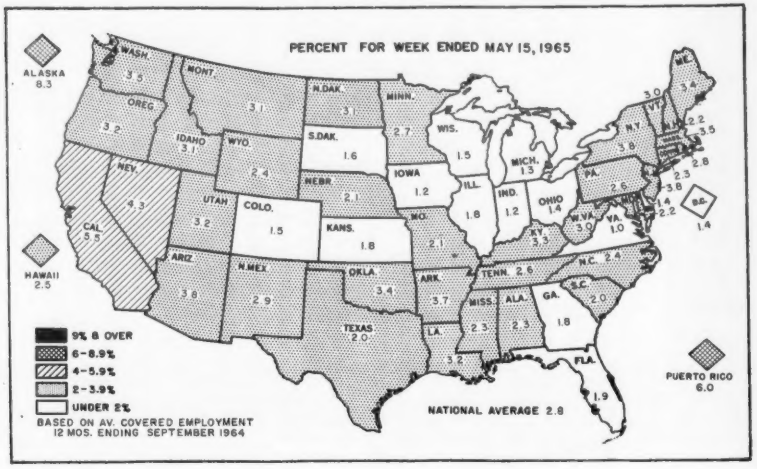
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Week ended—	Initial claims [1]		Insured unemployment [1]	
	1967	1966	1967	1966
April 8	251,200	195,600	1,409,500	1,110,900
April 15	289,500	161,000	1,386,300	1,067,100
April 22	218,100	157,400	1,341,700	1,014,800
April 29	216,900	153,100	1,302,400	963,600
May 6	221,600	164,400	1,241,900	916,700
May 13	188,400	151,000	1,169,100	881,700
May 20	177,900	146,700	1,129,400	852,600
May 27	170,800	151,500	1,062,200	813,900
June 3	175,600	141,600	1,084,600	816,300
Weekly averages				
April	243,900	166,500	[2] 1,360,000	1,044,300
May	187,800	152,300	1,142,100	861,700

[1] Refers to State programs.
[2] Revised figure.

The highest May rate of insured joblessness, unadjusted, was reported in Alaska (8.3 percent), followed by Puerto Rico (5.9 percent), California (4.6 percent), and Nevada (4.2 percent). The lowest rate, 0.9 percent, was noted in Virginia; rates of 1.0 percent were reported by Colorado, Nebraska, South Dakota, and Texas.

The average weekly volume of initial claims (indicating new unemployment) under the State programs was 187,800, compared with 243,900 in April and 152,300 during May of last year. On a seasonally adjusted basis, initial claims averaged 230,400 per week in May, down from 267,100 in the previous month.

Exhaustions

During May, a total of 87,500 beneficiaries exhausted their rights to unemployment compensation under the State programs. This total represented an increase of 6,300 over the April figure and an over-the-year rise of 13,700. However, with the exception of last year, the latest figure is the lowest for the month since 1953, when exhaustions totaled 60,900.

Almost all States showed April–May increases in exhaustions. The largest rise was in California (3,600), bringing that State's total to 18,800 for the month, the largest total for any State. New York's figure of 7,600 was up by 800. Illinois showed an increase of 500; Kentucky, 475; and Florida, 400. New Jersey had the largest over-the-month reduction, dropping by 480 to a total of 5,300. Louisiana dropped by 460 to 1,700, and Puerto Rico was down by 300 to 2,900.

Compared with May of last year, all but seven States had increases in their exhaustion figures. The largest rise occurred in California (4,300), followed by Michigan (2,100). Minnesota and Indiana each rose by 700. The most substantial over-the-year decline took place in New York (1,200).

Benefits

Benefit payments to the insured unemployed under State programs totaled $183.6 million during May. This was $16.9 million below the April figure but $57.5 million above the year-earlier total.

The average weekly benefit check for those persons who were totally unemployed averaged $40.99 during the month. The average benefit amount in April was $41.81. In May 1966, it came to $38.86. The highest average check was disbursed in California ($51.08). Hawaii was next ($50.84), followed by Wisconsin ($48.16), Colorado ($47.38), Michigan ($45.00), and the District of Columbia ($44.97). The lowest average benefit was paid out in Puerto Rico ($17.90).

Those persons who drew benefits for partial unemployment received an average weekly check of $22.91.

Activity [1]	Number or amount	Percent change from—		January–May cumulative (in thousands)	
	May 1967	April 1967	May 1966	1967	1966
Initial claims [2]	848,000	−15.6	+27.5	5,347	4,511
Weeks claimed [2]	5,432,600	−5.8	+38.5	31,415	28,212
Insured unemployment (weekly average) [2]	1,142,100	−16.0	+32.5	1,432	1,202
Beneficiaries (weekly average)	1,013,700	−18.5	+25.8	1,249	1,147
Benefits paid [3]	$183,645,000	−8.4	+45.6	$1,079,448	$929,704
Claimant exhaustions	87,500	+7.7	+18.6	375	391

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.

SELECTED UNEMPLOYMENT INSURANCE STATISTICS, STATE PROGRAMS,[1] MAY 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending May 1967 (in thousands)		Funds available May 1967 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/848014	8/5432598	8/1142052	1013745	$40.99	87510	$183644968	$1921042	$3259816	$1024438 3
Alabama	9249	71083	15642	13741	30.42	1484	1879753	18334	31305	110477
Alaska	1716	19083	3406	3833	43.96	267	764764	6657	11050	10/ 20322
Arizona	5991	38152	7776	6472	37.84	636	1110769	11358	19188	76156
Arkansas	6812	50896	10257	8453	29.74	923	1118344	11059	17288	41979
California	144882	1020470	215179	200965	51.08	18774	45690814	455797	590044	868171
Colorado	4123	21077	4296	3698	47.38	596	768318	9852	14644	70381
Connecticut	11652	69473	15492	13585	43.31	1191	2656068	27374	65441	261959
Delaware	1329	10335	2131	2360	43.16	305	446771	7451	6412	24897
Dist. of Col.	1648	17017	3576	3262	44.97	203	671344	7175	11239	70372
Florida	16829	76297	17163	10801	29.03	1400	1411143	18162	38755	217345
Georgia	11721	77155	16129	13079	34.41	1702	1885404	17019	43958	238113
Hawaii	2233	22138	4649	4235	50.84	346	955638	10003	11706	27399
Idaho	2417	17930	3463	3178	44.38	615	603537	7247	9986	36182
Illinois	50053	2511130	52148	43046	42.46	3417	8171381	75642	87287	566379
Indiana	15366	101300	20640	18790	35.30	1903	2996417	25094	61899	239544
Iowa	4505	25981	5526	4322	40.70	426	755820	8686	14421	124372
Kansas	2847	21819	4588	4078	40.68	418	744723	9546	19474	78492
Kentucky	7030	70720	14988	12907	36.46	1270	2060549	16794	30499	142096
Louisiana	10274	74684	16650	15341	36.21	1695	2495375	21349	39978	156269
Maine	4086	32117	6184	5600	32.14	312	762207	7694	10603	40010
Maryland	8878	55686	12830	11973	39.35	630	2075745	24014	47699	214327
Massachusetts	30994	2157736	45369	42259	42.41	3740	7633870	89915	143593	307142
Michigan	29849	2616333	52537	49283	45.00	4728	10047331	108240	180897	10/ 625168
Minnesota	5573	62055	12083	11622	39.20	1548	2045071	21980	45355	55902
Mississippi	6556	39151	8019	6356	26.25	634	753035	6553	14990	75996
Missouri	26116	1093094	22043	17580	36.77	1331	2598275	30735	46507	265510
Montana	2011	18786	3489	3418	31.66	494	504513	5514	6478	20232
Nebraska	1542	12856	2620	2617	34.61	389	408056	5819	9544	46110
Nevada	3262	24755	5432	5451	42.65	634	1045601	12438	11211	27932
New Hampshire	2696	14715	2801	2140	36.86	5	317205	2346	7378	38495
New Jersey	39062	266492	56106	57278	40.94	5316	10427144	109998	159377	387766
New Mexico	3209	20826	4227	4070	30.91	211	563642	6174	8238	37903
New York	137110	7492335	159218	144432	42.81	7642	26957534	312036	443181	1510035
North Carolina	20467	1221016	26803	24130	27.86	1314	2964078	23477	56715	290364
North Dakota	570	11871	1939	2588	43.35	277	419738	4781	5221	62113
Ohio	36527	812490	45770	35891	40.31	1605	6521776	58245	174688	552762
Oklahoma	5751	46508	9966	6930	27.52	654	860423	9999	15359	57813
Oregon	11434	85748	17445	15933	35.86	1203	2576638	26820	37567	114085
Pennsylvania	63433	3160223	68652	57538	36.65	2299	8978442	92822	313767	10/ 625836
Puerto Rico	8/10159	8/81764	8/18380	10181	17.90	2945	8689226	9/115711	24794	70584
Rhode Island	6816	30619	6410	5797	39.17	547	991687	12182	21926	68241
South Carolina	8631	61329	13357	11142	31.77	1092	1594184	12505	26839	119395
South Dakota	392	4382	802	683	31.19	134	92153	1556	2725	16131
Tennessee	15344	118852	25130	21185	30.49	1863	2889708	28477	50247	150736
Texas	14889	93916	20563	16042	30.85	2247	2188447	27697	65197	307105
Utah	3079	26325	5420	4363	35.90	608	772663	9673	12704	40391
Vermont	1319	10062	2309	2075	38.91	110	350691	3505	9487	17028
Virginia	5729	36383	7766	6105	38.19	892	891695	8632	24188	174805
Washington	14590	91165	18838	17538	53.51	2370	2655133	33547	70727	271207
West Virginia	5936	44251	9496	7900	26.11	434	920453	10128	20040	76241
Wisconsin	10517	95499	17265	16557	48.16	1651	3547461	37497	63793	250287
Wyoming	715	5877	1085	941	40.23	80	166917	2251	4207	12723

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $43,138 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs,[1] May 1967

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	9,103	83,778	16,914	$3,236,629	$41.60	14,012	89,975	17,627	$3,403,638	$41.98
Alabama	293	1,877	310	48,305	33.85	246	1,518	313	51,049	35.48
Alaska	122	2,370	573	119,148	45.23	52	377	83	18,099	47.13
Arizona	151	1,243	276	49,889	39.34	202	1,456	263	48,762	40.33
Arkansas	54	1,154	128	19,182	32.51	112	787	131	21,933	36.31
California	1,638	17,117	3,316	796,556	52.23	2,826	21,959	4,413	990,056	48.77
Colorado	71	564	97	20,472	45.70	163	743	158	33,573	46.12
Connecticut	30	307	50	10,154	44.34	112	348	56	10,715	41.69
Delaware	14	98	13	2,709	44.41	24	158	34	7,116	45.04
Dist. of Col.	222	2,860	703	153,920	47.61	59	446	79	15,671	43.29
Florida	132	970	126	17,730	30.52	312	1,224	194	28,516	32.00
Georgia	278	1,526	254	45,010	38.57	220	1,613	333	62,674	40.96
Hawaii	80	1,088	284	69,781	53.47	91	853	201	49,311	53.37
Idaho	13	355	83	16,598	43.22	86	487	97	17,912	40.34
Illinois	338	2,720	514	89,180	37.72	452	1,878	332	62,571	41.00
Indiana	74	626	106	17,257	35.51	184	1,098	188	32,843	38.01
Iowa	31	230	40	7,498	40.31	55	360	71	14,778	45.33
Kansas	57	640	124	21,717	38.17	83	405	88	18,295	45.40
Kentucky	105	1,294	255	44,423	37.84	258	2,453	517	98,123	41.23
Louisiana	132	1,017	145	23,300	34.83	225	1,573	311	57,780	40.43
Maine	52	369	75	11,713	33.95	35	309	67	11,863	38.77
Maryland	113	908	195	37,183	41.36	214	772	181	35,042	42.17
Massachusetts	170	2,421	606	133,508	47.87	259	1,927	444	97,206	47.60
Michigan	177	1,513	350	66,406	41.27	527	3,798	800	157,056	42.68
Minnesota	42	589	160	29,096	39.59	133	1,277	338	62,732	40.37
Mississippi	187	1,599	308	38,106	26.89	94	462	91	12,396	29.51
Missouri	329	937	191	31,624	36.02	219	1,278	266	49,494	40.50
Montana	26	714	125	18,902	32.76	47	543	80	12,118	33.02
Nebraska	35	424	108	16,642	33.42	24	135	27	4,631	37.65
Nevada	47	475	80	15,138	40.91	70	423	80	15,699	42.78
New Hampshire	13	93	23	3,519	33.51	41	141	29	6,271	46.45
New Jersey	300	2,861	500	99,669	43.33	432	2,964	550	108,537	42.93
New Mexico	76	785	180	27,028	32.64	126	722	151	23,658	34.14
New York	1,005	7,265	1,261	249,020	42.93	991	4,865	857	159,786	40.55
North Carolina	79	886	209	31,376	32.65	194	1,451	303	54,980	39.44
North Dakota	26	337	73	12,728	37.99	32	527	122	22,613	40.24
Ohio	410	2,105	497	89,413	39.13	785	4,013	545	100,763	40.21
Oklahoma	114	1,290	228	30,121	28.74	123	1,045	179	25,355	30.73
Oregon	72	1,181	250	40,389	35.15	240	1,731	318	59,683	40.82
Pennsylvania	645	4,550	861	147,844	37.32	1,202	6,886	1,340	251,596	40.80
Puerto Rico	58	541	106	9,484	19.43	173	1,484	277	25,192	19.79
Rhode Island	32	774	176	37,116	45.94	82	421	89	17,861	43.46
South Carolina	88	631	124	18,548	32.60	165	992	193	34,465	38.81
South Dakota	28	390	84	12,788	33.22	22	22	39	6,168	34.46
Tennessee	193	3,351	927	154,507	36.23	255	2,315	467	76,856	35.81
Texas	279	2,715	592	88,131	32.39	515	2,703	555	90,796	35.58
Utah	173	871	150	30,487	44.06	88	474	87	17,056	42.43
Vermont	8	100	20	3,907	42.47	9	99	21	3,864	40.25
Virginia	88	615	95	13,968	32.11	111	630	98	16,820	37.46
Virgin Islands	0	3	0	0	0	4	2	0	0	0
Washington	255	3,278	721	122,229	36.85	514	2,618	578	102,572	38.55
West Virginia	43	282	49	5,141	22.85	332	1,857	355	53,611	32.81
Wisconsin	93	674	153	30,516	43.41	167	1,234	222	43,129	42.28
Wyoming	12	195	41	7,553	40.18	25	119	21	3,992	42.02

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Income-Maintenance Program Operations

All Programs

	1967		1966	
	February	January	February	January
Total Public Income-Maintenance Payments (millions)	$4,051	$4,008	$3,469	$3,416
Old-age, survivors, and disability insurance	2,057	2,010	1,645	1,609
Railroad and public employee retirement	1/605	1/594	1/544	1/527
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/457	2/464	2/442	2/440
Veterans' compensation and pension programs	361	373	358	368
Public assistance	571	566	480	474
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	22,966	22,847	21,215	21,053
Retired workers	11,731	11,682	11,234	11,179
Survivors and dependents	9,432	9,391	8,969	8,876
Disabled workers	1,111	1,105	1,012	997
Total monthly benefits (millions)	3/$1,656	3/$1,646	3/$1,544	3/$1,532
Retired workers	993	988	945	939
Survivors and dependents	530	527	500	495
Disabled workers	109	108	99	98
Persons receiving special benefits	4/24	4/23	--	--
Public Assistance				
Total recipients (thousands)	8,251	8,173	7,916	7,868
Federally aided programs	7,559	7,489	7,202	7,154
Aid to families with dependent children--children	3,630	3,582	3,382	3,346
Total recipients	4,817	4,748	4,487	4,439
Old-age assistance	2,066	2,068	2,071	2,074
Other federally aided programs	1,895	1,670	1,221	1,222
General assistance: Cases	312	309	319	319
Recipients	692	684	714	714
Total payments (millions)	5/$571	5/$566	5/$480	5/$474
Federally aided programs	540	536	450	444
General assistance	25	25	22	22

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Special benefits (authorized by P. L. 89-368) for persons aged 72 and over not insured under the regular nor the transitional provisions of the Social Security Act, beginning October 1966.
5/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	March 1967	February 1967	March 1967	February 1967	March 1967	February 1967	March 1966	February 1966
California								
State plan								
Basic benefits	56,582	51,051	330,165	270,750	$18,533,088	$15,230,447	$18,483,161	$14,513,640
Additional hospital benefits	1/35,059	1/28,465	2/252,996	2/205,764	3,035,952	2,469,168	3,068,904	2,473,572
Private plan	4,276	4,100	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	8,795	9,941	93,210	66,003	2,808,443	2,140,187	2,644,505	2,085,368
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	3,638	2,948	33,411	27,157	1,230,563	1,001,193	1,190,335	940,633
Railroad								
Sickness	9,428	9,231	4/87,466	5/87,638	2,591,219	2,605,902	3,388,669	2,644,461
Maternity	142	134	4/2,218	5/1,822	154,987	128,569	154,017	124,140

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 43,733 for sickness and 1,109 for maternity.
5/ Estimated from data "benefit periods" compensated which number 43,819 for sickness and 911 for maternity.

U.S. GOVERNMENT PRINTING OFFICE: 1967 O—270-455

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

The *Unemployment Insurance Review* is published by the Unemployment Insurance Service of the Bureau of Employment Security with the cooperation of the State employment security agencies and is distributed without charge to personnel of the national and State employment security offices. It is also available on subscription at $3 a year (single copies 30 cents) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. In countries other than the United States, Canada, and Mexico, annual subscription is $4.

Subscribers should remit directly to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

Communications regarding editorial matters should be addressed to *Unemployment Insurance Review*, Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

Opinions of authors not connected with the Bureau of Employment Security are their own and do not necessarily reflect the views of the *Unemployment Insurance Review* or of the Bureau of Employment Security.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, January 10, 1964.